

COUNCIL FOR MEDICAL SCHEMES

2021/22 APPROVED BUDGET



BUDGET FOR 2021/2022

Description	Line Ref		2017/2018 Budget	2018/2019 Budget	2019/2020 Budget	2020/2021 Budget	2021/2022 Budget
Goods and services	A1		52 365 841	54 453 240	64 084 222	63 473 528	72 477 099
Compensation of employees	A2		98 174 779	106 702 173	120 594 550	114 649 748	113 072 984
Operating cash expenditure	A		150 540 621	161 155 412	184 678 773	178 123 276	185 550 083
Capital expenditure	B		3 536 023	3 781 117	3 627 192	900 000	1 000 000
Total cash requirement (TABLE 2)	C	A + B	154 076 644	164 936 529	188 305 965	179 023 276	186 550 083
Surplus funds (NHI related projects & HMI)	D1		-	-	(1 916 667)		-
Inspection fees (recovery)	D2		-	-	(9 321 895)	(102 302)	(102 302)
Accreditation fees	E		(9 315 016)	(7 504 000)	(9 536 067)	(6 779 733)	(6 779 733)
Registration Fees	F		(366 383)	(45 385)	(422 959)	(512 947)	(512 947)
Interest Received	G		(2 835 878)	(4 483 382)	(4 995 730)	(1 945 922)	(1 945 922)
Government grant	H1		(5 496 000)	(5 815 000)	(5 987 000)	(6 530 000)	(6 181 000)
Other income	I		(1 787 315)	(2 842 899)	(789 606)	(274 454)	(274 454)
Total income excluding levies	J	D + E + F + G + H+	(19 800 592)	(20 690 666)	(32 969 924)	(16 145 358)	(15 796 358)
Income from levies	K	C - J	134 276 052	144 245 863	155 336 041	162 877 918	170 753 725
Total membership	L		3 950 927	3 992 102	4 016 708	4 030 619	4 039 705
Levy amount proposed	M	K / L	R 33,99	R 36,13	R 38,67	R 40,41	R 42,27
Levy amount approved			R 33,99	R 36,13	R 38,67		
Levy increase (in Rand) based on approved levy			R 1,98	R 2,14	R 2,54	R 1,74	R 1,86
Levy increase (in %) based on approved levy			6,19%	6,30%	7,03%	4,49%	4,60%

Consolidated CMS Budget 2021/2022 (per Unit)

Programme Nr	Consolidated expenditure - Per Programme	Actual outcome (Audited)	Budget	
		2019/2020	2020/2021	2021/2022
1	ADMINISTRATION			
1.1	Office of the CEO and Registrar	18 741 172	16 231 419	7 723 610
1.2	Office of the CFO	36 843 475	34 122 020	38 428 571
1.3	Information Systems and Knowledge Management	21 495 599	24 940 721	24 771 872
1.4	Human Resources	11 728 896	8 869 322	10 254 249
1.5	Legal Services	22 709 105	21 974 528	14 212 224
1.6	Council Secretariat	-	-	6 941 418
2	STRATEGY OFFICE	13 332 791	9 867 676	10 573 646
3	ACCREDITATION	9 480 639	8 451 442	7 910 129
4	RESEARCH AND MONITORING	8 468 129	6 492 729	9 622 164
5	STAKEHOLDER RELATIONS	13 607 674	9 171 162	12 465 495
6	COMPLIANCE AND INVESTIGATION	15 370 825	11 058 421	15 894 647
7	BENEFIT MANAGEMENT	7 125 393	6 029 699	5 927 435
8	FINANCIAL SUPERVISION	13 262 016	11 778 311	11 733 802
9	COMPLAINTS AND ADJUDICATION	7 677 204	9 135 826	9 090 819
	OPERATING CASH EXPENDITURE	199 842 916	178 123 276	185 550 083
CAPEX	CAPITAL EXPENDITURE	3 812 179	900 000	1 000 000
	TOTAL CASH REQUIREMENT	203 655 095	179 023 276	186 550 083

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CMS Budget 2021/2022

Notes	Per Economic classification	Actual outcome (Audited)	Budget	
		2019/2020	2020/2021	2021/2022
	Compensation of employees	116 570 088	114 649 748	113 072 984
1	Salaries and wages	113 278 352	110 871 791	108 831 883
2	Social contributions	3 291 736	3 777 958	4 241 101
	Goods and services	83 272 828	63 473 528	72 477 099
3	Agency and support / outsourced services	562 819	3 542	185 550
4	Communication	754 230	2 445 138	3 055 473
5	Computer services	4 582 954	5 290 581	4 785 976
6	Consultants	14 942 422	7 156 785	14 428 815
7	Lease payments	12 402 618	12 126 952	14 131 966
8	Advertising and marketing	1 385 355	265 185	1 823 551
9	Audit costs	1 122 636	1 388 705	1 174 278
10	Bank charges	85 223	54 649	110 400
11	Board costs	3 456 720	3 435 389	3 574 994
12	Legal fees	20 751 583	18 376 263	12 053 752
13	Non life insurance	448 585	627 267	606 784
14	Other unclassified expenditure	4 210 603	2 330 936	2 821 595
15	Printing and publication	1 154 782	915 456	1 098 582
16	Property payments	5 074 025	4 936 219	5 252 798
17	Staff cost note	4 833 127	2 694 449	2 990 570
18	Venue and facilities	1 659 308	31 257	542 457
19	Repairs and maintenance	542 988	409 180	989 355
20	Training and staff development	1 389 940	914 057	1 732 904
21	Travel and subsistence	3 912 911	71 519	1 117 298
	OPERATING CASH EXPENDITURE	199 842 916	178 123 276	185 550 083
22	Capital expenditure	3 812 179	900 000	1 000 000
	TOTAL CASH REQUIREMENT	203 655 095	179 023 276	186 550 083

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Notes supporting table 3

1 **Salaries and wages**

Compensation of employees includes remuneration in cash. Specifically included are basic wages and salaries and anniversary bonus.

2 **Social contributions**

Contributions by employer towards employee's life cover and contributions payable for workmen's compensation to the Compensation Fund is included under this line item.

3 **Agency and support / outsourced services**

Recording of appeal board hearings, strategic planning meetings, Council meetings and labour relations matters.

4 **Communication**

Communication refers to costs incurred for communication through a variety of communication mediums, including telephone and fax and courier and printing

5 **Computer services**

Payments made for computer services provided by external service provider. These includes computer related expenditure, such as back-up tapes and cartridges for printers, internet solutions and software license subscriptions.

6 Consultants

Consulting services refer to specialist services and skills provided that are required for the achievement of a specific objective, with the aim of providing expert and professional advice on a time and material basis. It is unnecessary to maintain these skills in-house since they are required on a once-off or temporary basis. Therefore, a consultant is a professional person appointed by the organisation to provide technical and specialist advice or to assist with the design and implementation of projects/programs.

7 Lease payments

Renting of building, copiers and other assets such as water bottles.

8 Advertising and marketing

Included within this item is the media monitoring contract, advertising costs as well as social media advertising costs.

9 Audit costs

In line with the Constitution of South Africa Section 188; The Auditor-General performs the external audit function.

10 Bank charges

Charges on commercial bank account (ABSA).

11 Board costs

All payments related to the functions of the board. This includes remuneration of Council and sub-committees of Council

12 Legal fees

Cost incurred for services rendered by attorneys and advocates.

13 Non-life insurance

Non-life insurance claims represent the claim due under contracts in respect of non-life insurance, that is, the amount which insurance enterprises are obliged to pay in settlement of injuries or damages suffered by persons or goods (including fixed assets).

14 Other unclassified expenditure

All expenditure items that could not be classified in any mentioned category (e.g. Knowledge management costs, storage costs, subscription costs)

15 Printing and publication

Cost incurred for printing being the reproduction by applying ink to paper as for any publications being documents printed or otherwise produced for wide distribution inside or outside any agency e.g. annual reports, brochures, pamphlets, posters and books.

16 Property payments

This item provides for all payments related to contractual obligations contributing to the functionality of our building. Under this item provision is made for the payment of cleaning services, security services and municipal services.

17 Staff cost note

Cost relating to staff (temporary or permanent) that are not classified under compensation of employees (Salaries and wages and social contributions) and training and staff development are allocated to this line item. These costs include *inter alia* recruitment and reallocation costs, temp service costs and employee wellness costs.

18 Venue and facilities

Venue costs are those cost which are associated with obtaining a right to use that place/site/location at that particular time.

19 Repairs and maintenance

Costs incurred for maintaining, repairing and day-to-day running of our assets.

20 Training and staff development

The cost of training to staff to develop them and make them more efficient on the job. This cost includes materials and manuals as well as cost of external trainers. Cost relating to conferences is also included within this line item.

21 Travel and subsistence

Travel and subsistence are the reimbursement of travel expenses within or outside South Africa for business purposes.

22 Capital expenditure

Expenditure with regards to the purchasing of assets is classified as capital expenditure and mainly consist out of computer equipment, computer software, office equipment and furniture and fittings.